DPC Debt Details: Phase I & Phase II

	Debt Sanctioned					
	Rupee Loan from Indian Financial Institutions (IFIs)*	Dollar Commercial Loan from Offshore Banks***	Dollar Commercial Loan from Indian Banks	OPIC	ECAs**	Total
Phase-I	71	150	0	100	298	619
Phase-II	333	272	225	60	524	1414

All figures in $ Million

Notes:

* ICICI, IDBI, IFCI, SBI and Canara Bank are the five Indian lenders to the Project. The Rupee Loan has been stated in Dollars at an exchange rate of Rs. 43/$.

** Phase-I ECA (Export Credit Agency) is US Exim Phase-II ECAs are JBIC (Japan) and OND (Belgium). The ECA loan amounts have been guaranteed by IFIs.

*** Major Phase-I Commercial Banks are ABN AMRO & Bank of America. Major Phase-II Commercial Banks are ABN AMRO, Citibank, ANZ Grindlays, CSFB & Bank of America.

IPP's demand to restore tax relaxations on gross income

1908. SHRI PREM CHAND GUPTA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that IPP's are now demanding that Government restore the tax relaxation on gross income as originally provided under 10 (23G) which was hit by the CBDT notifications restricting benefits of tax reduction on the net income only;

(b) the IPP's in States like Gujarat, Andhra Pradesh and Tamil Nadu are already in default by the SEB's creating apprehension and financial losses in their project; and

(c) if so, Government reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) Several Independent Power Producers have made representations to the Union Ministry of Finance with respect to tax exemption under Section 10 (23G) in reference to the newly introduced Section 14A in the Income Tax Act, 1961. This amendment was made specifically to provide that no deduction shall be allowed in respect of expenditure incurred in relation to exempt income. The exemption under Section 10 (23G) was always allowable on net basis only. This was specifically clarified through Circular No. 780 dated October 4, 1999 issued by the Central Board of Direct Taxes to provide that only the net income after taking into account all expenses incurred to earn the said income would be exempt under Section 10(23G) of the Income Tax Act. Only the net income i.e. gross income minus the expenditure, is taxed and on the same analogy, the exemption is also in respect of the net income. As some of the assessees were not accepting the circular issued in October, 1999 this was leading to a lot of litigation. To avoid such litigations, Section 14A was inserted through Finance Act, 2001 with retrospective effect from April 1, 1962 to reiterate the above mentioned principles of taxation which was also specifically stated through circular No. 780 dated October 4, 1999.

Appointment of MP's as Chairpersons of District Rural Development Agencies

1909. SHRI A. VIJAYA RAGHAVAN: Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether Government are considering to appoint MP's as chairpersons of district rural development agencies that have large funds at their disposal; and

(b) if so, the details thereof?